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ANNUAL REPORT TO THE STOCK-
HOLDERS OF THE AMERICAN BANK
NOTE COMPANY, FOR THE FISCAL
YEAR ENDING DECEMBER 31st

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DIRECTORS AND EXECUTIVE OFFICERS
OF THE
AMERICAN BANK NOTE COMPANY

MARCH 4TH, 1913.

DIRECTORS

Hon. P. C. Lounsbury,
President, Merchants Exchange National Bank.

E. C. Converse,
President, Bankers Trust Company.

James B. Ford,
Vice-President and Treasurer, United States Rubber Company.

Charles A. Moore,
President, Manning, Maxwell & Moore, Inc.

Warren L. Green,
President.

Wm. Nelson Cromwell,
Member, Sullivan & Cromwell.

J. R. De Lamar.

F. S. Smithers.

John Mason Little,
Director, and Chairman Finance Committee, Boston Chamber of Commerce.

Andrew V. Stout,
Member, Dominick & Dominick.

Hon. Wallace Nesbitt, K. C.,
Toronto, Canada, Counsel for McCarthy, Osler, Hoskin and Harcourt.

Alfred Jaretzki,
Member, Sullivan & Cromwell.

Hon. W. Murray Crane,
President, Crane & Company.

Ambrose Monell,
President, International Nickel Company.

D. E. Woodhull,
First Vice-President.

Wm. E. Corey.

Chas. H. Sabin,
Vice-President, Guaranty Trust Company.

EXECUTIVE COMMITTEE

E. C. Converse, Warren L. Green, Wm. Nelson Cromwell, J. R. De Lamar,
Andrew V. Stout, Ambrose Monell, D. E. Woodhull.

OFFICERS

President,
Warren L. Green.

First Vice-President,
D. E. Woodhull.

Vice-Presidents

A. Claxton Cary, J. Claudet, H. Victor Keane, José A. Machado,
Manufacturing. Sales. Western. Canadian.

Treasurer, Secretary, Asst. Treasurer and Asst. Secretary,
Charles L. Lee, Geo. H. Danforth, A. L. Schomp.

Comptroller, General Counsel,
J. P. Treadwell, Jr. Sullivan & Cromwell.

Transfer Agent,
Guaranty Trust Company.

Registrar of Stock, Chartered Accountants,
Bankers Trust Company of New York. Price, Waterhouse & Co.

Offices,
70 and 72 Broad Street, New York City.

TO THE STOCKHOLDERS OF THE AMERICAN BANK NOTE COMPANY

Your Directors submit herewith their Annual Report and Statement of Accounts for the year 1912.

SHARE CAPITAL

The Capital Stock issued and outstanding is:

Common Stock	\$4,496,737.50
Preferred Stock, 6% Cumulative	<u>4,496,737.50</u>
Total	\$8,993,475.00

The Authorized Capital Stock is:

Common Stock	\$5,000,000
Preferred Stock, 6% Cumulative	<u>5,000,000</u>
Total Authorized Capital Stock	\$10,000,000

We are now entering the one hundred and eighteenth year of a continuous business existence, which began during the first administration of George Washington as President of the United States.

From a small beginning, local in character, the business gradually widened in scope, until, today, we occupy an international position probably unique in the history of American industries.

Persistent efforts have been made of late to give the public the false impression that our business depends principally, if not wholly, upon securities listed on the New York market.

In our vaults are stored the dies, rolls and plates from which have been printed the greater part of the world's currency and securities, a trusteeship involving, to the highest degree, the questions of responsibility and permanency.

The business of the Company may be divided into three classes.

The largest and most important is the engraving and printing of paper currency, securities, postage and revenue stamps, and various other revenue-producing forms in the production of which absolute security is the primary and basic requisite.

A commercial business, both steel and lithographic, producing checks, drafts and all forms of stationery.

A complete typographic plant for the production of catalogues, folders, tickets and all forms of advertising matter, including a highly perfected map department for the manufacture of maps of all kinds.

The American Bank Note Company has supplied securities for over thirty of the world's governments, covering 51% of the world's area, and 81% of the world's population.

Of the world's population, 554,000,000 use the dollar as a unit, and of these 438,000,000, or 78%, use currency bearing our imprint.

That we, when necessary, can act as an auxiliary bureau for the United States Government is shown by the fact that during the past two years we have furnished Postal Savings Certificates to the Post Office Department to the face value of \$199,000,000.

After a most exhaustive investigation, the Company was selected by the Manchu Government to prepare the first notes issued by the Chinese Imperial Government in a period of over four hundred years, and the sudden change from an empire to a republic in no way disturbed the confidence that this great Eastern Nation reposed in us.

The general trade conditions during 1912 can hardly be said to have been favorable, due largely to the general unrest throughout the world and the unsettled political conditions in many lands. A constant refining of our organization, close study of manufacturing and sales conditions have enabled us, however, largely to offset these adverse influences.

The Canadian plant is being further enlarged so as to be in condition to successfully cope with the remarkable growth of that country. This plant is managed as an independent national plant, and is entirely Canadian in character and feeling.

Within a short time it will be necessary to increase the capacity of our Western Branch.

The general condition of our business throughout the world reflects a capable sales organization, and great attention is constantly given to this most important part of our duties.

The character of the personnel and the training of the proper understudies is with us a matter of vital importance, and receives much thought and attention.

The most important part of our business is unquestionably our Security Department, and this is not only steadily increasing in capacity, but the natural development of this branch will doubtless compel a material increase in our equipment during 1913, notwithstanding the large factor provided in the initial installation.

The new plant has made possible the effecting of many improvements in factory practice, which, under former conditions, were impossible, and your Directors take this opportunity to express

their appreciation of the loyal co-operation and efficient service of the organization.

For sanitary and hygienic reasons it was deemed advisable to move the laundry into a separate building, also to build a new hardening plant on the roof of Building "A" to better ventilate and dispose of the dangerous fumes.

The restaurant, now located on the top floor of Building "A," is temporary quarters, and this space will soon be required in the extension of the engraving department. We are, therefore, considering the question of a separate building, for the general purposes of the Welfare Department, which will contain the restaurant. This department, which was started over a year ago and plays an important rôle, and a few facts regarding it may be of interest to our stockholders.

A lunch room for women was opened November 2d, 1911, with an attendance of 375 persons. The average daily attendance is now 502. The total number of individual meals served since its opening has been 143,204, and the average amount paid per meal, eight cents. Special attention has been given to supplying nourishing and substantial food and the result upon the health and efficiency of our employees has been very noticeable.

The Company also maintains a well appointed and equipped hospital, in charge of a graduate nurse, and visited daily by a competent physician. During the past year 1,002 employees availed themselves of these advantages, which were free.

In July, 1912, a medical examination preliminary to application for position was inaugurated, and the wisdom of this action has already been many times proved.

The Welfare Department is also in touch with ten hospitals and sanitariums, several well known specialists, both medical and surgical, and a number of organizations which are helpful in times of illness and convalescence. It is in close touch with the Nurses' Settlement, and can call on this body for aid at short notice.

A New York Public Traveling Library of about 800 books has been installed in the office of the Welfare Department, without cost to the Company. All employees have access to the book shelves and may also order any special book desired. The average monthly circulation is about 400, and the total number of books drawn from the library in six months was 2,529. There are 377 members.

The Vacation Savings Fund, a method of saving small amounts, built on the lines of the Penny Provident Savings system, was introduced a year ago. There are now 152 depositors among the girls, and during the past year \$1,196.27 has been deposited.

The Welfare Department is interested in safety guards for machinery and all matters that make for efficiency through health and sanitation.

All real estate of the Company continues free from mortgage. The Trinity Place property remains unsold and is carried on our books at its tax assessment value.

RELIEF FUND

There has been paid out in pensions and relief during the past year the sum of \$29,368.26, and we have set aside \$30,000 for that fund for the coming year.

FIRE INSURANCE

To the fund segregated for this purpose we have added \$10,000, which, together with the interest received from deposits, makes the total amount set aside, \$88,575.48.

DIVIDENDS

During 1912 the following dividends were declared:

Payable	Preferred	
Apr. 1, 1912.....	\$67,434.75	
July 1, 1912.....	67,434.75	
Oct. 1, 1912.....	67,434.75	
Jan. 2, 1913.....	67,434.75	\$269,739.00
	<hr/>	
	Common	
Feb. 15, 1912.....	\$44,957.00	
May 15, 1912.....	44,957.00	
Aug. 15, 1912.....	67,435.50	
Nov. 15, 1912.....	67,435.50	224,785.00
	<hr/>	
		\$494,524.00

WORK IN PROGRESS

There has been a gain in this item of \$76,863.18, which as usual is figured at factory cost.

TREASURER'S REPORT

The statement of the Treasurer, including the balance sheet and profit and loss account, as prepared and certified by the Auditors, is submitted herewith and made a part hereof.

RELATION OF THE AMERICAN BANK NOTE COMPANY TO THE NEW YORK STOCK EXCHANGE.

In view of the false statements, which have been made from time to time, and which have been reiterated during the past year, the Board of Directors deems it desirable that a plain statement of facts with reference to the relation of the business of the Company to the New York Stock Exchange be placed before you at this time.

An erroneous impression prevails in some quarters as to the importance of this branch of the Company's output. The proportion of the Company's business which has consisted of work listed on the Stock Exchange during the past five years has averaged but 8.7% of the total volume.

The statements made at various times to the effect that the Exchange, or its officers or members, have a controlling or any considerable interest in the American Bank Note Company are untrue. The following facts with reference to holdings of the Company's stock are significant.

As appears elsewhere in this report, the total issued Capital Stock of the Company consists of 179,827 shares, of the par value of \$50 each. This Stock is divided among 1,281 Stockholders. Of this total number of Stockholders:—

103 are Estates, holding.....	18,130 shares
655 are Women, holding.....	61,330 shares
506 are Men, holding.....	95,707 shares
17 are Firms, holding.....	4,660 shares

But six members of the New York Stock Exchange are Stockholders in the Company, and they hold a total of 1,840 shares, which it will be seen is barely $1\frac{1}{8}\%$ of the total Capital Stock of the Company.

In addition to the six individual members of the Exchange who are Stockholders in the American Bank Note Company, there are twelve Stock Exchange brokerage houses who hold 4,986 shares of stock. Whether the Stock standing in the names of these houses is their property, or is carried for customers, we do not know.

The 4,986 shares so held is approximately 3% of the Company's outstanding Stock. The New York Stock Exchange has 1,100 members. From the foregoing statement it will be seen that but $1\frac{3}{5}\%$ of the membership of the Exchange are individually, or through their firms, holders of stock of the Company, and that all such firms and individuals together hold a total of but 4% of the Company's Stock.

No officer or member of the Board of Governors or of the Stock List Committee of the New York Stock Exchange holds any Stock in the American Bank Note Company.

Outside of the eligible foreign concerns, there are three companies in this country the work of which may be listed on the New York Stock Exchange.

The basic qualifications for listing, as cited in the recent brief of the New York Stock Exchange, include: "Financial responsibility, character of direction and management, general features and quality of workmanship, general methods of business."

Whatever advantage over its competitors the American Bank Note Company may enjoy is due to the fact that its ability to produce and safeguard is supplemented by a century of integrity and inviolability.

Consistent with the spirit of the times, the American Bank Note Company is not interested financially, or otherwise, in any other Bank Note Company in the Western Hemisphere, nor is the American Bank Note Company a party to any pools, agreements or understandings with any other companies or the New York Stock Exchange.

WARREN L. GREEN,

President.

TO THE PRESIDENT AND BOARD OF DIRECTORS:

GENTLEMEN:—I herewith submit my report of the result of the Company's business operations for the year ending December 31st, 1912.

The balance sheet and statement of the general profit and loss account of the Company and its constituent companies, as certified by Messrs. Price, Waterhouse & Co., Chartered Accountants, are shown on the pages following.

All purchases of material, supplies, etc., are paid for in cash, and every possible advantage is taken of discounts for such settlements.

Of the stock shown by the balance sheet as issued, \$1,087.50 represents Preferred Stock scrip, and \$1,037.50 represents Common Stock scrip, on which amounts dividends are not payable until they are converted into whole shares. Of this scrip, \$932.66 of Common Stock and \$943.43 of Preferred Stock had been purchased and was held in the Treasury on December 31st, 1912.

The stock issued, as shown by the registration books, consists of 89,913 shares of Preferred Stock and 89,914 shares of Common Stock, and the registrar's certificate has been obtained verifying the correctness of these amounts.

Respectfully submitted,

C. L. LEE,
Treasurer.

AMERICAN BANK NOTE COMPANY

CONSOLIDATED BALANCE SHEET, DECEMBER 31, 1912

<i>ASSETS</i>		
CAPITAL ASSETS:		
Real Estate and Buildings in the Boroughs of Manhattan and Bronx, New York, and at Chicago, Philadelphia and Ottawa	\$4,117,771.83	
Machinery, Tools, Equipment, Dies, Rolls, Plates, and other permanent investments	4,740,821.89	\$8,858,593.72
CURRENT ASSETS:		
Materials and Supplies, Work in Progress and Finished Stock	\$1,263,003.53	
Accounts Receivable	1,016,438.28	
Notes Receivable	8,140.24	
Marketable Investments	41,518.00	
Contract Deposits	55,000.00	
Cash	383,427.07	2,767,527.12
SPECIAL CASH DEPOSITS FOR RESERVES:		
Employees' Pension Fund	\$19,654.78	
Insurance Fund	78,575.48	98,230.26
DEFERRED CHARGES		14,192.33
		<u>\$11,738,543.43</u>
<i>LIABILITIES</i>		
CAPITAL LIABILITIES:		
Capital Stock of American Bank Note Company:		
Preferred 6% Cumulative	\$4,496,737.50	
Less—Scrip in Treasury	943.43	\$4,495,794.07
Authorized—100,000 Shares @ \$50	<u>\$5,000,000.00</u>	
Common	\$4,496,737.50	
Less—Scrip in Treasury	932.66	4,495,804.84
Authorized—100,000 Shares @ \$50	<u>\$5,000,000.00</u>	
		<u>\$8,991,598.91</u>
CURRENT LIABILITIES:		
Bills Payable	\$760,000.00	
Accounts Payable	238,866.19	
Dividend on Preferred Stock, payable January 1, 1913	67,434.75	1,066,300.94
RESERVES		220,057.56
SURPLUS		1,460,586.02
		<u>\$11,738,543.43</u>

We have examined the head office books of the American Bank Note Company, and also the books of its several departments, for the twelve months ending December 31, 1912, and have accepted foreign returns as certified by independent Auditors.

WE CERTIFY that, in our opinion, the above Consolidated Balance Sheet is properly drawn up so as to show the true financial position of the American Bank Note Company at December 31, 1912, and that the relative Profit and Loss Account is a fair and correct statement of the Net Earnings for the twelve months ending at that date.

54 William Street, New York,
February 25, 1913.

PRICE WATERHOUSE & CO.,
Chartered Accountants.

AMERICAN BANK NOTE COMPANY

PROFIT AND LOSS ACCOUNT

YEAR ENDING DECEMBER 31, 1912

Profits of the Manufacturing and Commercial Business, after deducting all expenses, including Bad Debts and Repairs	\$1,002,804.39	
<i>Less</i> —Depreciation on Buildings, Machinery, Tools and Equipment	135,799.62	
		<u>\$867,004.77</u>
Miscellaneous Income, less Miscellaneous Interest paid		738.72
		<u>\$867,743.49</u>
<i>Deduct:</i>		
Appropriation for Pension Fund	\$30,000.00	
Appropriation for Insurance Fund	10,000.00	
		<u>40,000.00</u>
		<u>\$827,743.49</u>
<i>Less</i> —Dividends:		
Preferred Stock	\$269,739.00	
Common Stock	224,785.00	
		<u>494,524.00</u>
Balance, being Surplus for the year		\$333,219.49
Surplus, January 1, 1912		<u>1,127,366.53</u>
Total Surplus, per Balance Sheet		<u><u>\$1,460,586.02</u></u>

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DIRECTORS AND EXECUTIVE OFFICERS
OF THE
AMERICAN BANK NOTE COMPANY

DECEMBER 31st, 1914.

DIRECTORS

Hon. P. C. Lounsbury, <i>President, Merchants Exchange National Bank.</i>	John Mason Little, <i>Director, and Chairman Finance Committee, Boston Chamber of Commerce.</i>
E. C. Converse, <i>President, Astor Trust Company.</i>	Andrew V. Stout, <i>Member, Dominick & Dominick.</i>
James B. Ford, <i>Vice-President and Treasurer, United States Rubber Company.</i>	Hon. Wallace Nesbitt, K. C., <i>Toronto, Canada, Counsel for McCarthy, Osler, Hoskin and Harcourt.</i>
Warren L. Green, <i>President.</i>	Alfred Jaretzki, <i>Member, Sullivan & Cromwell.</i>
Wm. Nelson Cromwell, <i>Member, Sullivan & Cromwell.</i>	Hon. W. Murray Crane, <i>President, Crane & Company.</i>
J. R. De Lamar.	Ambrose Monell, <i>President, International Nickel Company.</i>
F. S. Smithers.	D. E. Woodhull, <i>First Vice-President.</i>
	Wm. E. Corey.
	Chas. H. Sabin, <i>President, Guaranty Trust Company.</i>

EXECUTIVE COMMITTEE

E. C. Converse,	Warren L. Green,	Wm. Nelson Cromwell,	J. R. De Lamar,
Andrew V. Stout,	Ambrose Monell,	D. E. Woodhull.	

OFFICERS

<i>President,</i>			
Warren L. Green.			
<i>First Vice-President,</i>			
D. E. Woodhull.			
<i>Vice-Presidents,</i>			
A. Claxton Cary, <i>Manufacturing.</i>	J. Claudet, <i>Sales.</i>	H. Victor Keane, <i>Western.</i>	José A. Machado, <i>Canadian.</i>
<i>Treasurer,</i>	<i>Secretary,</i>	<i>Asst. Treasurer and Asst. Secretary,</i>	
Charles L. Lee.	Geo. H. Danforth.	A. L. Schomp.	
<i>Comptroller,</i>		<i>General Counsel,</i>	
J. P. Treadwell, Jr.		Sullivan & Cromwell.	
<i>Transfer Agent,</i>			
Guaranty Trust Company of New York.			
<i>Registrar of Stock,</i>		<i>Independent Auditors,</i>	
Bankers Trust Company.		Price, Waterhouse & Co.	

Offices,

70 and 72 Broad Street, New York City.

TO THE STOCKHOLDERS OF THE AMERICAN BANK NOTE COMPANY

Your Directors submit herewith their Annual Report and Statement of Accounts for the year 1914.

SHARE CAPITAL

The Capital Stock issued and outstanding is :

Common Stock	\$4,496,737.50
Preferred Stock, 6% Cumulative	<u>4,496,737.50</u>
Total	\$8,993,475.00

The Authorized Capital Stock is :

Common Stock	\$5,000,000
Preferred Stock, 6% Cumulative	<u>5,000,000</u>
Total Authorized Capital Stock	\$10,000,000

The continued depression in domestic business, the unsettled conditions in Mexico and the European war, with its far reaching consequences, have made the past year one of the most difficult in the history of the Company.

Our enlarged premises in Canada have been finally completed; and fortunately the plant was fully installed in time to meet the war emergency demands for currency. Aside from this the only plant alteration was the abandonment of the Typographical and Playing Card Department.

This Department was mainly for the printing of tickets and advertising matter of various kinds and was foreign and inimical to our business proper. In spite of constant effort many and varied causes have contributed to make this work unprofitable and its abandonment will be hereafter reflected favorably in our annual profit and loss statement, though it shows now as a loss in our surplus account.

In order to maintain our pre-eminence we must be prepared at all times to give extraordinary service and this requires a certain elasticity especially at our Bronx plant which is called upon more than the others to meet the world's demands.

The probabilities are that with the first signs of the termination of the present war and a return to normal conditions a sudden tax will be placed upon the manufacturing resources of this Company to meet the demands long held in abeyance and the space made vacant by the abandonment of the typographical work is being prepared for the use of our business proper.

We have added considerably to our printing capacity and with an increased business we should need this space principally for finishing-room requirements.

The Company's relations with its large clientele continue to be most satisfactory, in fact they have during the past year been materially strengthened. Generally speaking prices have not improved, but it is gratifying to know that costs are being reduced due to improved factory practices.

The condition of unfilled orders on our books at the close of the current year is very satisfactory and shows a marked increase over December 31, 1913.

DIVIDENDS

During 1914 the following dividends were declared :

	Payable	Preferred	
Apr. 1, 1914		\$67,434.75	
July 1, 1914		67,434.75	
Oct. 1, 1914		67,434.75	
Jan. 2, 1915		67,434.75	\$269,739.00
		<hr/>	
		Common	
Feb. 16, 1914		\$67,435.50	
May 15, 1914		44,957.00	
Aug. 15, 1914		44,957.00	\$157,349.50
		<hr/>	
			\$427,088.50

REAL ESTATE

All the real estate of the Company continues free from mortgage. The Trinity Place property, owing to the continued depression of the real estate market, remains unsold.

STOCKHOLDERS

As shown elsewhere in this report, the total issued capital stock of the Company consists of 179,827 shares of the par value of \$50 each. The stock at the close of 1913 was divided among 1333 holders, which number has been increased to 1397 holders at the close of 1914. This represents an average of about 129 shares to each stockholder.

EMPLOYEES' PENSION FUND

Number of pensioners January 1, 1914	53
Number of pensioners January 1, 1915	61
There were placed on pension list during 1914	13
(Average length of service 36 years)	
Number died during 1914	5
Total amount of pension paid monthly January 1, 1914	\$3,112.00
Total amount of pension paid monthly December 31, 1914	\$2,855.53
Total amount of pension paid during 1914	\$35,948.98

WARREN L. GREEN,

President.

TO THE PRESIDENT AND BOARD OF DIRECTORS:

Gentlemen: The balance sheet and statement of the general profit and loss account of the Company and its constituent companies, as certified by Messrs. Price, Waterhouse & Co., the Independent Auditors, are shown on the pages following.

All purchases of material, supplies, etc., are paid for in cash, and every possible advantage is taken of discounts for such settlements.

Of the stock shown by the balance sheet as issued, \$1,087.50 represents Preferred Stock scrip, and \$1,037.50 represents Common Stock scrip, on which amounts dividends are not payable until they are converted into whole shares. Of this scrip \$977.11 of Common Stock and \$1,027.13 of Preferred Stock had been purchased and was held in the Treasury on December 31, 1914.

The stock issued, as shown by the registration books, consists of 89,913 shares of Preferred Stock and 89,914 shares of Common Stock, and the registrar's certificate has been obtained verifying the correctness of these amounts.

Respectfully submitted,

C. L. LEE,
Treasurer.

AMERICAN BANK NOTE COMPANY

Consolidated Balance Sheet, December 31, 1914

ASSETS

CAPITAL ASSETS:

Real Estate and Buildings in the Boroughs of Manhattan and the Bronx, New York, and at Chicago, Philadelphia and Ottawa	\$4,231,631.64	
Machinery, Equipment, Dies, Rolls, Plates and other permanent investments	<u>4,706,805.98</u>	\$8,938,437.62

CURRENT ASSETS:

Materials and Supplies, Work in Progress and Finished Stock	\$947,271.20	
Accounts Receivable	1,320,661.28	
Notes Receivable	8,478.20	
Marketable Investments	40,720.00	
Contract Deposits	55,000.00	
Cash	<u>390,314.91</u>	\$2,762,445.59

SPECIAL CASH DEPOSITS FOR RESERVE:

Insurance Fund		78,156.43
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DEFERRED CHARGES		28,515.45
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\$11,807,555.09

LIABILITIES

CAPITAL LIABILITIES:

Capital Stock of American Bank Note Company:

Preferred 6% Cumulative	\$4,496,737.50	
Less—Scrip in Treasury	<u>1,027.13</u>	\$4,495,710.37

Authorized—100,000 Shares
at \$50.00 each

\$5,000,000.00

Common	\$4,496,737.50	
Less—Scrip in Treasury	<u>977.11</u>	4,495,760.39

Authorized—100,000 Shares
at \$50.00 each

\$5,000,000.00

Five - Per - Cent. Three - Year Coupon Gold Notes of March 1, 1913	<u>1,000,000.00</u>	\$9,991,470.76
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CURRENT LIABILITIES:

Notes Payable	\$50,000.00	
Accounts Payable	318,363.33	
Dividend on Preferred Stock, payable January 2, 1915	<u>67,434.75</u>	435,798.08

RESERVES:

Insurance Fund	\$78,156.43	
Employees' Pension Fund	38,228.35	
Other Reserves	<u>63,490.69</u>	179,875.47

SURPLUS		1,200,410.78
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\$11,807,555.09

We have examined the head office books of the American Bank Note Company, and also the books of its several departments, for the twelve months ending December 31, 1914, and have accepted foreign returns as certified by independent auditors.

We certify that, in our opinion, the above consolidated balance sheet is properly drawn up so as to show the true financial position of the American Bank Note Company at December 31, 1914, and the relative profit and loss and surplus accounts show correctly the results of the business for the twelve months ending at that date.

54 William Street, New York,
February 24, 1915.

PRICE, WATERHOUSE & CO.

AMERICAN BANK NOTE COMPANY

PROFIT AND LOSS ACCOUNT

Year Ending December 31, 1914

Profits of the Manufacturing and Commercial Business, after deducting all expenses, including Repairs and Provisions for Bad Debts, but before providing for depreciation	\$707,647.91	
Less—Depreciation on Buildings, Machinery and Equipment	145,183.71	\$562,464.20
Miscellaneous Income, less Miscellaneous Interest and other deductions		10,044.38
		\$572,508.58
Less—Interest and discount accrued on gold notes		63,333.32
		\$509,175.26
<i>Deduct—Dividends:</i>		
On Preferred Stock	\$269,739.00	
On Common Stock	157,349.50	
	\$427,088.50	
Appropriation for Pension Fund	40,000.00	467,088.50
Balance carried to surplus		\$42,086.76

SURPLUS

Surplus at December 31, 1913		\$1,462,777.68
Balance of Profit and Loss Account for year as shown above		42,086.76
		\$1,504,864.44
<i>Deduct—Loss on the abandonment of the Typographical and Playing Card Department represented by the excess of the gross book value of all Machinery, Equipment, Materials and Work in Progress therein at dates of abandonment over amounts realized therefrom, less the sum of \$60,000.00 charged to reserves for depreciation of machinery and equipment, being the estimated amount of depreciation heretofore provided out of profits in respect of the machinery and equipment abandoned (see note)</i>		304,453.66
Surplus at December 31, 1914, per Balance Sheet		\$1,200,410.78

NOTE: After the deduction of \$60,000.00, as above, there remained a balance shown on the head office books in the reserve for depreciation of machinery and equipment at December 31, 1914, of \$315,225.93. The reserves for depreciation are deducted from the gross book values of the property in the statement of the latter on the Balance Sheet.

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AMERICAN BANK NOTE COMPANY
ANNUAL REPORT

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DIRECTORS AND EXECUTIVE OFFICERS
OF THE
AMERICAN BANK NOTE COMPANY

DECEMBER 31st, 1915.

DIRECTORS

Hon. P. C. Lounsbury, <i>Chairman of the Board, Atlantic National Bank.</i>	John Mason Little, <i>Director, and Chairman Finance Committee, Boston Chamber of Commerce.</i>
E. C. Converse, <i>President, Astor Trust Company.</i>	Andrew V. Stout, <i>Member, Dominick & Dominick.</i>
James B. Ford, <i>Vice-President, United States Rubber Company.</i>	Hon. Wallace Nesbitt, K. C., <i>Toronto, Canada, Counsel for McCarthy, Osler, Hosktn and Harcourt.</i>
Warren L. Green, <i>President.</i>	Alfred Jaretzki, <i>Member, Sullivan & Cromwell.</i>
Wm. Nelson Cromwell, <i>Member, Sullivan & Cromwell.</i>	Ambrose Monell, <i>President, International Nickel Company.</i>
J. R. De Lamar.	D. E. Woodhull, <i>First Vice-President.</i>
F. S. Smithers.	Wm. E. Corey.
	Chas. H. Sabin, <i>President, Guaranty Trust Company.</i>

EXECUTIVE COMMITTEE

E. C. Converse,	Warren L. Green,	Wm. Nelson Cromwell,	J. R. De Lamar,
Andrew V. Stout,	Ambrose Monell,	D. E. Woodhull.	

OFFICERS

<i>President,</i>			
Warren L. Green.			
<i>First Vice-President,</i>			
D. E. Woodhull.			
<i>Vice-Presidents,</i>			
A. Claxton Cary, <i>Manufacturing.</i>	J. Claudet, <i>Sales.</i>	H. Victor Keane, <i>Western.</i>	José A. Machado, <i>Canadian.</i>
<i>Treasurer,</i>	<i>Secretary,</i>	<i>Asst. Treasurer and Asst. Secretary,</i>	
Charles L. Lee.	Geo. H. Danforth.	A. L. Schomp.	
	<i>Comptroller,</i>	<i>General Counsel,</i>	
	J. P. Treadwell, Jr.	Sullivan & Cromwell.	
	<i>Transfer Agent,</i>		
	Guaranty Trust Company of New York.		
<i>Registrar of Stock,</i>	<i>Independent Auditors,</i>		
Bankers Trust Company.	Price, Waterhouse & Co.		

Offices,

70 and 72 Broad Street, New York City.

TO THE STOCKHOLDERS OF THE AMERICAN BANK NOTE COMPANY

Your Directors submit herewith their Annual Report and Statement of Accounts for the year 1915.

SHARE CAPITAL

The Capital Stock issued and outstanding is:

Common Stock	\$4,496,737.50
Preferred Stock, 6% Cumulative	<u>4,496,737.50</u>
Total	\$8,993,475.00

The Authorized Capital Stock is:

Common Stock	\$5,000,000
Preferred Stock, 6% Cumulative	<u>5,000,000</u>
Total Authorized Capital Stock	\$10,000,000



There has been no material change in the physical condition of our various plants during the past year. The general mercantile conditions have shown a steady but gradual improvement. During the latter half of the fiscal year this has been especially noticeable in our domestic business.

Despite the disturbing war conditions our foreign relations have maintained a healthy and satisfactory growth.

Necessity has compelled us to overcome the difficulty of obtaining certain supplies hitherto furnished from abroad, but the curtailment of proper shipping facilities to foreign ports remains a serious obstacle.

The unfilled orders on our books at the close of the fiscal year show a slight gain over the previous year.

All work in progress is taken at factory cost only.

REAL ESTATE

All the real estate of the Company is free from mortgage.

The property at Trinity Place continues unsold.

COUPON NOTES

During the past year the issue of coupon notes of this Company was reduced by \$400,000, making this item now stand \$600,000, in place of \$1,000,000.

DIVIDENDS

The dividends on our common stock, interrupted in the latter part of 1914, were resumed August 16, 1915.

The following dividends were declared during the year:

Payable	Preferred	
Apr. 1, 1915	\$67,434.75	
July 1, 1915	67,434.75	
Oct. 1, 1915	67,434.75	
Jan. 3, 1916	<u>67,434.75</u>	\$269,739.00
	Common	
Aug. 16, 1915	\$44,957.00	
Nov. 15, 1915	<u>44,957.00</u>	89,914.00
		<u>\$359,653.00</u>

STOCKHOLDERS

As shown elsewhere in this report, the total issued capital stock of the Company consists of 179,827 shares of the par value of \$50 each. The stock at the close of 1914 was divided among 1397 holders, which number has been increased to 1440 holders at the close of 1915. This represents an average of about 125 shares to each stockholder.

EMPLOYEES' PENSION FUND

Number of pensioners January 1, 1915	61
Number of pensioners January 1, 1916	58
There were placed on pension list during 1915	6
(Average length of service 37 3-5 years)	
Number died during 1915	9
Total amount of pension paid monthly January 1, 1915	\$2,855.53
Total amount of pension paid monthly December 31, 1915	\$2,807.78
Total amount of pension paid during 1915	\$33,483.36

TREASURER'S REPORT

The statement of the Treasurer, including the balance sheet and profit and loss account, as prepared and certified by the Auditors, is submitted herewith and made a part hereof.

WARREN L. GREEN,
President.

TO THE PRESIDENT AND BOARD OF DIRECTORS:

Gentlemen: The balance sheet and statement of the general profit and loss account of the Company and its constituent companies, as certified by Messrs. Price, Waterhouse & Co., the Independent Auditors, are shown on the pages following.

All purchases of material, supplies, etc., are paid for in cash, and every possible advantage is taken of discounts for such settlements.

Of the stock shown by the balance sheet as issued, \$1,087.50 represents Preferred Stock scrip, and \$1,037.50 represents Common Stock scrip, on which amounts dividends are not payable until they are converted into whole shares. Of this scrip \$995.86 of Common Stock and \$1,045.88 of Preferred Stock had been purchased and was held in the Treasury on December 31, 1915.

The stock issued, as shown by the registration books, consists of 89,913 shares of Preferred Stock and 89,914 shares of Common Stock, and the registrar's certificate has been obtained verifying the correctness of these amounts.

Respectfully submitted,

C. L. LEE,

Treasurer.

AMERICAN BANK NOTE COMPANY

Consolidated Balance Sheet, December 31, 1915

ASSETS

CAPITAL ASSETS:		
Real Estate and Buildings in the Boroughs of Manhattan and the Bronx, New York, and at Chicago, Philadelphia and Ottawa	\$4,181,482.09	
Machinery, Equipment, Dies, Rolls, Plates and other permanent investments	<u>4,699,959.91</u>	\$8,881,442.00
CURRENT ASSETS:		
Materials and Supplies, Work in Progress and Finished Stock	981,715.33	
Accounts Receivable	1,077,081.50	
Notes Receivable	131,975.70	
Contract Deposits	62,520.00	
Cash	<u>692,816.22</u>	\$2,946,108.75
SPECIAL CASH DEPOSITS FOR RESERVES:		
Insurance Fund	80,433.67	
Employees' Pension Fund	44,797.33	125,231.00
DEFERRED CHARGES		<u>11,195.17</u>
		<u>\$11,963,976.92</u>

LIABILITIES

CAPITAL LIABILITIES:		
Capital Stock of American Bank Note Company:		
Preferred 6% Cumulative	\$4,496,737.50	
Less—Scrip in Treasury	<u>1,045.88</u>	\$4,495,691.62
Authorized—100,000 Shares of \$50.00 each	<u>\$5,000,000.00</u>	
Common	\$4,496,737.50	
Less—Scrip in Treasury	<u>995.86</u>	4,495,741.64
Authorized—100,000 Shares of \$50.00 each	<u>\$5,000,000.00</u>	
Five - Per - Cent. Coupon Serial Gold Notes	<u>600,000.00</u>	\$9,591,433.26
CURRENT LIABILITIES:		
Accounts Payable	313,303.40	
Advances on Account of Customers' Orders	198,409.52	
Dividend on Preferred Stock, payable January 3, 1916	<u>67,434.75</u>	579,147.67
RESERVES:		
Insurance Fund	80,433.67	
Employees' Pension Fund	44,797.33	
Other Reserves	<u>82,653.40</u>	207,884.40
SURPLUS		<u>1,585,511.59</u>
		<u>\$11,963,976.92</u>

We have examined the head office books of the American Bank Note Company, and also the books of its several departments, for the twelve months ending December 31, 1915, and have accepted foreign returns as certified by independent auditors.

We certify that, in our opinion, the above consolidated balance sheet is properly drawn up so as to show the true financial position of the American Bank Note Company at December 31, 1915, and the relative profit and loss and surplus accounts show correctly the results of the business for the twelve months ending at that date.

54 William Street, New York,
February 17, 1916.

PRICE, WATERHOUSE & CO.

AMERICAN BANK NOTE COMPANY

PROFIT AND LOSS ACCOUNT

Year Ending December 31, 1915

Profits of the Manufacturing and Commercial Business, after deducting all expenses, including Repairs and Provisions for Bad Debts, but before providing for depreciation		\$1,021,911.89
Less—Depreciation on Buildings, Machinery and Equipment	\$142,219.36	
Reserve for Moving Machinery	20,000.00	162,219.36
		\$859,692.53
Miscellaneous Income		30,771.50
		\$890,464.03
Less—Miscellaneous Interest and other deductions Interest and discount accrued on gold notes	\$37,126.87 68,583.35	\$105,710.22
		\$784,753.81
<i>Deduct—Dividends:</i>		
On Preferred Stock	\$269,739.00	
On Common Stock	89,914.00	
Appropriation for Pension Fund	40,000.00	399,653.00
Balance, being surplus for the year		\$385,100.81
Surplus, January 1, 1915		\$1,200,410.78
		\$1,585,511.59

TOTAL SURPLUS per balance sheet \$1,585,511.59

